**Version 7 (amended 02 11 26) -**

# Business Case – Glebe Multi-Purpose Community Building (Phase 1)

## Executive Summary

West Mersea Town Council's Business Case sets out the background to the Glebe project and details our plans for Phase 1 of the Multi-Purpose Community Building. This is a £1.55m capital project replacing the outdated and dilapidated sports pavilion with a modern, accessible, flexible facility for sports clubs, youth groups, community organisations and residents.

The feasibility study and public consultation confirm strong community need and support. Funding approval is required to proceed with procurement and to appoint a Project Manager.

The new building replaces the existing pavilion, which is no longer fit for purpose and does not meet accessibility, safeguarding, or modern usage requirements. An assessment carried out in 2025 estimated that the cost of bringing the current building up to an acceptable standard would be £884,500, without, in any way, expanding on existing facilities or allowing for any future growth.

The present plans provide for the new building to be situated at the same site as the existing building. Phase 1 to be a "stand alone" fully operational facility which eventually will be linked to a phase 2 building which in turn will be linked to the existing Rugby Club changing rooms. This will enable a through passage way to be formed linking all 3 buildings. Phase 2 will include additional changing rooms, locker space, toilets, storage space, a medical room and an administrative office.

Should the present opportunity of having substantial S106 funds available from the 2 new housing developments in West Mersea, and the promised funding from the Football Association ***not*** be taken up at this time then it's very likely that repairs to the existing building will be too expensive to fund and the building will eventually have to be closed down. This would have a significant impact on sport on Mersea and the health and general wellbeing of present and future generations.

## 1.Necessity for the Project

In 2009 the Town Council had designed, and obtained planning permission for a new pavilion but the funding from one of the sports associations was withdrawn at the last minute. The old pavilion at that time was said to be not fit for purpose and in need of replacement.

Condition of existing pavilion 16 years later: - The feasibility study (2024/25) identified significant structural, accessibility and functional limitations. The building does not meet modern safeguarding standards, accessibility requirements, or the needs of sports clubs and youth groups.

Community Need: - Public consultations in 2025 and 2026 demonstrated clear demand for flexible indoor space for youth provision, sports clubs, wellbeing activities

and community groups. The public consultations demonstrated community support for redevelopment, with a clear demand for flexible indoor space.

Mersea Island has an expanding population due to infilling and more importantly 2 new housing estates totalling 200 properties. These are due to be completed and fully occupied within 18 months. In addition the emerging Local Plan allocates 300 new properties to West Mersea. The Plan is currently at Regulation 19 stage and whilst we cannot say that these 300 properties will eventually be included in the Plan the Council takes the view that we need to allow for the strong possibility that the population will increase by some 720+ on top of the 480+ within the current two housing developments.

With population growth added in from estimated infilling from 2021 to 2031 this will give a 20% increase over the current population (based on 2021 census). If we take the current membership of sports clubs involved with the Glebe pavilion then the likely increase in numbers is 101. The present facilities would not cope with this increase especially given the changing gender dynamic within the clubs. The current membership of the 4 sports clubs combined, split by broad gender is -

Adults (male) – 210, Adults (female) – 23, Juniors (male) – 242, Juniors (female) -30

Total -505.

Inevitably this population growth of some 20% will increase the demand on sports facilities and other community space (this is recognised within the emerging Local Plan). We are also mindful that villages on the mainland are expanding and given that West Mersea is considered a “Large Settlement” to the south of Colchester it is inevitable that we will draw people in from the surrounding area. This potential growth has not been accounted for in the predictions above but could be significant.

**Strategic Alignment**: - The project supports Council priorities to:

- Enhance community infrastructure
- Increase participation in sport and physical activity
- Provide inclusive space for youth and community groups
- Deliver long-term social value in terms of improved health and mental wellbeing.
- Support the growing demand for women’s participation in sport by providing suitable facilities.

## 2. Project Description

Phase 1 will deliver:

- A modern, fully accessible multi-purpose community building
- Flexible internal spaces for sports, youth activities, meetings and events
- Updated changing facilities compliant with current standards
- Energy-efficient design reducing long-term operating costs
- Improved external layout integrated with the wider Glebe recreation area

**3. Financial Case:-** Total Project Cost - £1,550,000 (Phase 1)

Funding Package

- FA / Football Foundation Grant: £250,000
- Public Works Loan Board (PWLB): £850,000
- S106 Contribution: £450,000

**Budget**

Capital Expenditure

- Construction (Phase 1): £1,550,000 including demolition of existing building.
- Professional fees, surveys, Project Manager's appointment: Included within cost plan
- Contingency: £98,267 (8% of the construction cost, main contractor's OHP and demolition) allowed for within the budget.

Operational Expenditure (Annual)

- Energy costs - Estimated £7800 p.a. based on 2025 costs. The energy efficient design should help maintain costs at or around this level. This cost would be split between the sports clubs and the Town Council on a 90/10% split.
- Maintenance & servicing: The building structure would be the responsibility of the landlord (Town Council). The dedicated internal areas, split between the Clubs and general community space being estimated at a 90%/10% split according to usage. Cost for years 1 to 5 – Clubs £6,250 over 5 years, Town Council £2,500 (including building) over 5 years.
- Insurance: The building would be included (as it is now) within the Council's list of assets. Contents insurance costs being split between the Clubs and the Council on a probable 90%/10% split.
- Staffing / caretaking (cleaning etc): £6,500 p.a. Staffing costs would be mainly covered by the Clubs (as it is now) with a 90% MISA / 10% Council split. This assumes that MISA will handle all bookings for the community space.

**Income v expenditure.**

- **The Sports Clubs**
  - **Income –**
    - This is expected to increase given the growth of population in the catchment area through increased number of subscriptions and higher fees to reflect the improved facilities.
    - The improved facilities should allow for greater opportunities for social events and thus higher bar profits.

  **Expenditure.**
  - Utility charges will remain largely as they are plus allowances for inflation and increased usage (this will be offset by increased membership fees).

- The current wage bill is expected to remain largely at the same level although increased pro-rata as membership and community use increases.
- Fees to the Town Council to cover rent for the building and maintenance of the grounds.
- Insurances.

- **The Town Council**
  - **Income -**
    - Sports club fees as related to the building – est. £1000
    - Community group bookings
    - Events and activities organised by the Council
    - Total estimated annual income: £3,000 (£15,000 over 5 years)
  - **Expenditure**
    - Possible small increase in insurance costs above that currently included for existing building – est. £200 p.a.(£1,000 over 5 years)
    - Sum to cover the 10% contribution to contents insurance, maintenance (including the heating system, solar panels, electrics and plumbing), wages and energy bills – est. £2080 p.a. (£10,400 over 5 years). NB. It is expected that maintenance costs will fairly low given that equipment will be under warranty.
  - **Cost Savings**
    - Building maintenance costs reduced from current levels, savings estimated at £15,000 over 5 years. NB. WMTC to be only responsible for the exterior maintenance of the fabric of the building.
  - **Nett benefit to Town Council over 5 years £18,600**
  - **Other considerations**
    - Tenancy agreements to be drawn up which will incur initial costs, on a shared basis There will also be on-going costs e.g. fire risk assessments which should be shared with tenants on a 90% (WMTC) 10% (MISA) basis. Estimated overall costs – initial cost £2000, on-going £1000 p.a. (shared 90/10)

**Loan Repayments -** PWLB borrowing of £850,000 over 30 years:

- Estimated annual repayment: Year 1 £83,123 reducing progressively to £29,714 in Year 30
- Total repayment figure £1,692,562 See Appendix A. (based on interest rate as at 6.5% – the rate varies on a daily basis) The annual repayment figures once set remain the same for the duration of the loan.
- The Council's budget consists of fixed and variable costs. Whilst the loan repayment will become a fixed cost it will be flexed within the budget by reducing the variable element in order to maintain any increase in precept to the prevailing RPI plus 3.00%, equivalent to some £9.00 p.a. for a Band D tax payer. This rate of increase to be applied until such time as the loan repayment annually is such that it can be managed within a regular inflation calculation. (N.B. Apart from the New Build at the Glebe there are no major capital schemes in the pipeline as the Boardwalk, path at the oyster beds Coast Road and children's play areas have been completed or recently upgraded. Glebe 2 play

area will be upgraded in next few years using S106 money allocated from Kingsfield site.
- The predicted increase in properties contributing to the precept will have the effect of spreading the cost thus allowing the Council to keep precept increases at RPI plus 3.00% without affecting any of the services / facilities provided.
- Although the Business Case includes a PWL of £850,000 the Council is working to reduce this figure by securing additional funding – this is a work-in-progress.

**Financial Resilience: -** The Council would cover loan PWL repayments through:

- Annual precept allocation, whilst keeping annual increase close to the prevailing inflation (RPI) plus 3.00%
- Income generated from building hire
- Use of general reserves in the event of temporary financial difficulty. A substantial earmarked reserve will be set up to cover this contingency alongside the General Reserve.
- Ability to adjust hire fees or increase utilisation to maintain income stability

This ensures the Council can meet repayment obligations even if income from the community space or elsewhere fluctuates.

**4. Procurement and Delivery**

Procurement Route

A compliant procurement process will be undertaken:

- Find a Tender Notice for Project Manager
- Invitation to Tender, evaluation matrix, pricing schedule, supplier declaration and draft contract already prepared
- Contractor procurement to follow once design and cost plan are finalised

Indicative Delivery Timeline

- Funding approval: Winter 2026/7
- Appointment of Project Manager: Following funding confirmation
- Detailed design & surveys: Winter 2026–Spring 2027
- Contractor procurement: Summer 2027
- Construction commencement: Late 2027
- Completion: 2028

**5. Risks: -** Key Risks and Mitigations

- Funding Risk: Mitigated through confirmed FA grant eligibility and PWLB route
- Cost Inflation: Managed through early PM appointment and robust cost control
- Planning Risk: Low – redevelopment of existing sports/community facility
- Operational Risk: Mitigated through partnership with sports clubs and community groups
- Governance Risk: Managed through formal council oversight and transparent procurement

Funding Risk: Mitigated through confirmed FA grant eligibility and PWLB borrowing route.

## 6. Community Benefits

- Increased access to inclusive community space
- Enhanced sports participation and youth provision
- Improved safeguarding and accessibility
- Long-term social, health and wellbeing benefits
- Strengthened community infrastructure supporting future growth

## 7. Areas to be addressed –

- Horticultural building. This is currently on the site of the proposed new build and would need to be re-located. Discussions continue.
- Concerns over parking has been raised by residents in the locality of the Glebe. This has been an on-going issue for many years and is one that we believe can be mitigated by a community area on the adjacent Kingsfield site known as CL2 being used as parking for home teams and local visitors. Away teams would use the existing carpark on Glebe 1.
- Interim arrangements following the demolition of the existing building and completion of the new. It is thought that through planning of fixtures and use of the Rugby Club changing rooms any additional costs can be avoided.

## 8. Potential funding for Phase 2 of the project

- Possible S106 funding should the 300 houses in the Emerging Local Plan be approved.
- Crowd funding
- Charity matches
- Donations and sponsorship.

## 9. Alternative Site

- For the purposes of this Business Case the Council has focused on the option of re-building on the present site on Glebe 1. There is an alternative possible option of locating the new building with parking on Kingsfield CL2 site adjacent to Glebe 2 with additional parking also on Kingsfield, CL1 site. The carpark on Glebe 1 would remain in use and the Rugby Club changing rooms would also remain in use on Glebe 1.

## 10. Funding Request

West Mersea Town Council will be seeking the necessary approvals in order to secure the PWL and to progress Phase 1 of the Glebe Multi-Purpose Community Building, including:

- Appointment of a Project Manager
- Detailed design and surveys

- Procurement and delivery activities
- Securing PWLB borrowing arrangements
- Submission of S106 spend request and supporting documentation
- Approval to undertake statutory PWLB borrowing consultation with residents

This business case forms the required Council report, enabling councillors and residents to make an informed decision on whether to support borrowing for the project.